

# Business Update

March 2019

Keeps you updated with business news and rationale behind changes to STANLIB Multi-Manager solutions.

## STANLIB Multi-Manager Global Bond Fund - manager change

The STANLIB Multi-Manager Global Bond Fund is a multi-managed global bond fund, investing in fixed income markets across a range of credit ratings, durations, sectors, countries and currencies.

A manager change was implemented during February 2019.

### Capital Group replaced with PIMCO

The Capital Group bond mandate was terminated on the basis of portfolio construction. The Fund needs a higher risk mandate – a higher tracking error relative to the benchmark – to blend with the alternative beta in the Fund. This echoes the 2017 change when we switched Columbia Threadneedle for Amundi. While Capital is more core-like than the other two active managers, we need the manager to bring sufficient risk into the Fund, especially considering that we allocate to Blackrock, the alternative beta manager. Capital has performed reasonably well and at a low level of risk. However, our expectation is for a higher amount of risk to be taken.

Four potential bond managers were considered, with PIMCO being selected to replace Capital Group. PIMCO brings a similar style to Capital. As one of the largest fixed income managers in the world, PIMCO has an extensive research base with a well-resourced and highly experienced team. Due to their size, they have superior access, exposure and insight in the market. Their portfolio is diversified across asset classes, with strong skill in credit given the above-mentioned strength of the research base.

### Current manager blend for STANLIB Multi-Manager Global Bond Fund

Post the February manager change, the segregated mandates of the STANLIB Multi-Manager Global Bond Fund are as follows:

Manager	Role
Amundi Asset Management	Tactical asset allocation
BlackRock	Alternative beta with sovereign risk overlay
Brandywine Global Investment Management	Country and currency
PIMCO	Credit selection

**PIMCO**  
One of the world's premier fixed income investment managers

- >2 500 More than 2 500 employees around the world
- 14 Global offices throughout the Americas, Europe and Asia
- 795+ Global investment professionals
- 70 Global Credit Analysts
- \$1.66 tn Assets under management as at 31 December 2018



**Kent Grobbelaar**  
Head of Portfolio Management (UK)  
BCom(Hons), ICMQ, FAUT, IMC  
E kent.grobbelaar@stanlib.com



**Renate Potgieter**  
Portfolio Manager  
BSc(Hons), CFA  
E rene.potgieter@stanlib.com

[www.stanlibmultimanager.com](http://www.stanlibmultimanager.com)

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